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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of)
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Various Proposals Requesting Modification)
of Broadband PCS C and F Block)
Installment Payment Terms)
)
_____)

WT Docket No. 97-82

COMMENTS OF CENTRAL WIRELESS PARTNERSHIP

Central Wireless Partnership ("CWP") hereby submits its comments in response to the Wireless Telecommunications Bureau's Public Notice, DA 97-679, released June 2, 1997, requesting comment on various proposals to alter the installment payment terms for broadband PCS C and F block licensees. Any and all Commission action with respect to the proposals should be directed toward the establishment and maintenance of a level regulatory playing field for all entrepreneur PCS licensees, regardless of whether their licenses are held in the C or in the F block. In support of that basic goal, the following is stated:

1. CWP holds eight F block licenses, having qualified for the F block auction as a consortium of small businesses pursuant to 47 C.F.R. 24.709(b)(1). As a holder of F block licenses, CWP will compete in the wireless marketplace with C block licensees. CWP

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therefore has a vital stake in any Commission action that would alter the payment terms for C block or F block licensees.

2. Many of the proposals before the Commission would, if adopted, result in the restructuring of repayment obligations on terms much more favorable to entrepreneur licensees. *Any* restructuring adopted by the Commission should be made equally applicable to C and F block licensees. C block licensees should not be entitled to special relief simply because some C block licensees now believe, in retrospect, that they paid too high a price for their licenses. In adopting its auction regime for PCS licenses, the Commission determined that market forces should be allowed to determine a licensee's success or failure. The Commission should not second guess itself and distort the market by uneven regulatory intervention. If the Commission determines that it should restructure payment obligations, then that restructuring must apply to *all* entrepreneur block licensees.

3. While CWP does not object to a restructuring of repayment obligations, the Commission should not, under any circumstances, forgive any portion of the obligations owed by any entrepreneur block licensees. C block bidders, like F block bidders, made individual business decisions concerning how much to bid and for what markets. To alter those bid amounts after the fact would distort auction results, would undermine the integrity of future auctions, and would unfairly skew the marketplace. Moreover, it would be unfair to grant relief to C block bidders who are now claiming they overpaid for their

licenses and in so doing place F block licensees, who generally paid much less for their licenses, at a competitive disadvantage.

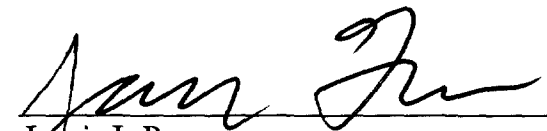
4. The Commission should also take this opportunity to eliminate existing anticompetitive preferences for C block licenses currently reflected in Commission rules. While C block licensees were only required to make downpayments for their licenses equal to 10% of the purchase price, F block licensees were required to pay 20% of their purchase price as a downpayment. See 47 C. F. R. §§ 24.711(a)(2), 24.716(a)(2). That disparity in downpayments means that F block licensees were required to pay over to the government scarce resources that could otherwise have been used to fund the buildout of their systems and to pay other startup costs. That in turn has further handicapped F block licensees in their efforts to catch up to their C block competitors who received their licenses well in advance of the issuance of the F block licenses. The Commission should correct this situation by refunding the additional 10% downpayment made by the F block licensees and recalculating their installment payment obligations accordingly.

5. The Commission should similarly revise its rules to equalize the installment payment terms available to C and F block small business and small business consortium licensees. Under the current rules, C block small businesses/small business consortia pay interest only for the first six years, with payments of interest and principal amortized over the next four years. 47 C.F.R. § 24.712(b)(3). By contrast, F block small businesses/small business consortia pay interest only for only *two* years, and interest and

principal over the remaining eight. 47 C.F.R. § 24.716(b)(3). There is no reason that C and F block licensees, who will be direct competitors, should receive different terms for their financing obligation. The Commission's rules should be revised to provide the same payment schedule for F block licensees as for C block licensees.

WHEREFORE, in view of the foregoing, the Commission should adopt only those changes to C and F block installment terms which would ensure an equitable and evenhanded regulatory environment for all PCS entrepreneur licensees and should revise its existing rules to eliminate unfair discrimination, as described above.

Respectfully submitted,



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